

NEWS AND NOTES FOR FLORIDA VETERANS

Veterans Service Center, VA Regional Office
St. Petersburg, FL

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The "News and Notes for Florida Veterans" is published monthly by the Veterans Service Center, VA Regional Office, St. Petersburg, Florida, to provide information on VA benefit programs to veterans and dependents in Florida. The material presented does not have the effect of laws or regulations. Please send questions or comments on this newsletter to Veterans Service Center, ATTN: "News and Notes," PO Box 1437, St. Petersburg, FL 33731. We do not have the resources to maintain a mailing list for distribution to individuals; however this newsletter is available on the St. Petersburg VA Regional Office web site at www.vba.va.gov/ro/south/spete.

VA HAS LAUNCHED A NEW RE-ENGINEERED HEALTH CARE ELIGIBILITY INTERNET WEB SITE

www.va.gov/healtheligibility. This will be VA's authoritative source on the Internet for information on veterans' health benefits eligibility. Designed with the veteran in mind, the site will provide easy access to VA's comprehensive health benefits, eligibility and enrollment information.

VA LOAN GUARANTY PROVISIONS OF THE VETERANS BENEFITS ACT OF 2004

The Veterans Benefits Act of 2004, was signed by the President on December 10, 2004. The following provisions affect the VA Loan Guaranty Program. All provisions became effective upon the signing of the Act into law.

Maximum Guaranty Amount. The law changes the maximum guaranty amount of \$60,000, for certain loans in excess of \$144,000, to an amount equal to 25 percent of the Freddie Mac conforming loan limit determined under section 305(a)(2) of the Federal Home Loan Mortgage Corporation Act for a single family residence, as adjusted for the year involved. To illustrate, the maximum guaranty for 2005 would be \$89,912. This is 25 percent of the 2005 Freddie Mac conforming loan limit for a single family residence of \$359,650. Under Freddie Mac's charter, maximum original loan amounts are 50 percent higher for first mortgages on properties in Alaska, Hawaii, Guam and the U.S. Virgin Islands. This higher amount would also apply to VA loans in these areas.

Specially Adapted Housing. The law expands eligibility to the \$50,000 Specially Adapted Housing (SAH) grant to veterans with permanent and total service-connected disabilities due to the loss of, or loss of use, of both upper extremities such as to preclude use of the arms at or above the elbows. In addition, the law is amended to specify eligibility where any veteran has disabilities which would qualify if they were service-connected but instead were incurred as the result of hospitalization, medical or surgical treatment in a VA facility.

Adjustable Rate Mortgages. The law gives VA authority to guarantee "traditional" Adjustable Rate Mortgages

(ARMs) in a manner similar to that by which HUD insures adjustable rate mortgages under section 251 of the National Housing Act. VA previously had this authority but it expired September 30, 1995. The legislation provides authority through September 30, 2008. Key features of this program are: interest rate adjustments on an annual basis; annual interest rate adjustments limited to a maximum increase or decrease of 1 percentage point; interest rate increases limited to a maximum of 5 percent points over the life of the loan; and this type of ARM loan *must* be underwritten at 1 percentage point above the initial rate.

Hybrid ARM Loans. The law extends VA authority to guarantee hybrid ARM loans to September 30, 2008. If the initial contract interest rate remains fixed for less than 5 years, the initial adjustment is limited to a maximum increase or decrease of 1 percentage point and the interest rate increase over the life of the loan is limited to 5 percentage points. If the initial contract interest rate remains fixed for 5 years or more, the initial adjustment will be limited to a maximum increase or decrease of 2 percentage points. In cases where the initial interest rate remains fixed for 5 years or more, the interest rate increase over the life of the loan will be limited to 6 percentage points. The provisions of this Act will not affect existing hybrid ARMs. VA hybrid ARM loans made prior to this Act will be subject to the terms in effect at the time they were made. For example, a hybrid ARM with an initial fixed rate for 5 years or more made prior to this Act is limited to a 1 percentage point initial adjustment and a 5 percent limit over the life of the loan.

Native American Direct Loan Program (NADL). The authority to make direct loans under the NADL program has been extended to December 31, 2008.

Funding Fee Exemption. The law expands the definition of veterans who are in receipt of compensation and thus entitled to a waiver of the VA funding fee. Veterans who are rated eligible to receive compensation as a result of a pre-discharge disability examination and rating will now be considered as receiving compensation as of that date. This means veterans still on active duty awaiting discharge, but

who wish to close on a loan before being released from the military, may be entitled to a waiver of the funding fee.

For information on the VA Loan Guaranty program, go to <http://www.homeloans.va.gov/>

MEANS TEST AND GEOGRAPHIC-BASED MEANS TEST THRESHOLDS FOR CALENDAR YEAR 2005 Title 38

United States Code (U.S.C.) requires that on January 1 of each year, VA increase the means test threshold amounts used to determine eligibility levels for VA medical care by the same percentage the rates of pension benefits were increased for the annual Cost of Living Adjustment (COLA).

Public Law 107-135, the Department of Veterans Affairs Health Care Programs Enhancement Act of 2001, directed VA to implement a Geographic-based Means Test (GMT). VA uses HUD's "low-income" geographic-based income limits as the thresholds for VA's GMT. A veteran's income from the previous year is compared with the appropriate GMT threshold for the previous fiscal year to determine if the veteran should be placed in priority Category 7.

Definitions: "Below the means test threshold" is defined as those veterans whose attributable income and net worth are such that they are unable to defray the expenses of care; therefore, they are not subject to co-payment charges for hospital and outpatient medical services. Such veterans are designated as "Means Test Co-pay Exempt."

"Above the means test and GMT threshold" is defined as those veterans whose attributable income and net worth are such that they are able to defray the expenses of care; therefore they must agree to pay a co-payment for hospital care and outpatient medical services. These veterans are designated as "Means Test Co-pay Required."

"Above the means test and below the GMT threshold" is defined as those veterans whose attributable income and net worth are such that they are able to defray the expense of care, but whose inpatient medical care co-payments are reduced 80 percent. These veterans are identified as "GMT Co-pay Required."

The following new Means Test Thresholds are effective January 1, 2005, through December 31, 2005: Veterans with No Dependents - below \$25,842 or less; above \$25,843 or more. Veterans with One Dependent - below \$31,013 or less; above \$31,014 or more. Veterans with Two Dependents - below \$32,747 or less; above \$32,748 or more. Dependent threshold amount increase (above two dependents): \$1,734.

IMPORTANT DATES IN FEBRUARY

February 1 payments for January due

February 3 last day to input change of address or establish direct deposit on compensation and pension awards in time for the 03-01-2005 payments

February 17 last day to change or cancel direct deposit on compensation and pension awards in time for the 03-01-2005 payments

February 21 Federal Holiday - Washington's Birthday

VA FACILITIES ADDRESSES AND TELEPHONE NUMBERS:

VA Regional Office, St. Petersburg - PO Box 1437, St. Petersburg, FL 33731 **1-800-827-1000**

Regional Processing Office, Atlanta, GA (education claims) - PO Box 100022, Decatur, GA 30031-7022

1-888-GIBILL1 (442-4551)

Telephone number for Chapter 30 self-verifications

1-877-823-2378

Veterans Health Administration Toll-Free Hotline (medical care) - **1-877-222-8387**

VA EFT Information Hotline (electronic funds transfer - direct deposit) **1-877-838-2778**

VA Insurance Center, Philadelphia (VA Insurance) - PO Box 42954, Philadelphia, PA 19101 **1-800-669-8477**

VA Health Administration Center (CHAMPVA and Spina Bifida health care) -

CHAMPVA inquiries: PO Box 65023, Denver, CO 80206-5023

CHAMPVA claims: PO Box 65024, Denver, CO 80206-5024

Spina Bifida inquiries and claims: PO Box 65025, Denver, CO 80206-5025 **1-800-733-8387**

Foreign Medical Program Office (medical treatment abroad) - PO Box 65021, Denver, CO 80206-5021 **303-331-7590**

National Cemeteries

10,000 Bay Pines Blvd N, Bay Pines FL **727-398-9426**

6502 SW 102nd Ave, Bushnell FL 33513 **352-793-7740**

Naval Air Station, Pensacola FL **850-453-4108/4846**

National Cemetery Administration Office of Memorial Programs (headstones and markers) - 810 Vermont Ave NW, Washington, DC 20420 **1-800-697-6947**

Loan Guaranty Eligibility Center (certificates of eligibility)

PO Box 20729, Winston-Salem, NC 27120

1-888-244-6711

Telecommunications Device for the Deaf (TDD) Unit - Chicago VA Regional Office **1-800-829-4833**

INTERNET SITES OF INTEREST:

VA Web Site: **www.va.gov**

VA Web Automated Reference Materials System (WARMS) **<http://www.warms.vba.va.gov/>**

Property Management **www.ocwen.com**

Florida Department of Veterans Affairs: **www.floridavets.org/**

St. Pete Regional Office: **www.vba.va.gov/ro/south/spete**

